Rural Development (NABARD) has reported that there is no such proposal at present.

(b) to (e) Do not arise in view of above.

Misuse of Kisan Credit Cards

5032. SHRI C. P. THIRUNAVUKKARASU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that most of the farmers are using Kisan Credit Card and Kisan Gold Card Scheme for purchase of goods, such as TVs, Motor cycle and refrigerators rather than farm inputs;

(b) if so, the reasons therefor;

(c) the number of cards issued to the farmers during the last financial year; and

(d) the amount advanced to purchase equipment against these cards during the above period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The Kisan Credit Card Scheme aims at providing adequate and timely credit support from banking system to the farmers for their cultivation needs including purchase of inputs, in a flexible and cost effective manner. Purchase of goods such as televisions, motorcycle and refrigerator are not permitted under these schemes. NABARD has reported that no instance of farmers using Kisan Credit Card for purchase of such goods has come to its notice. The Kisan Gold Card Scheme introduced by State Bank of India is an agricultural term loan scheme in addition to the Kisan Credit Card Scheme and provides for meeting the farmers' agricultural term loan requirements including their consumption needs like expenditure on illness/hospitalisation/ family functions etc.

(c) and (d) As reported by NABARD, all banks including commercial, cooperative and regional rural bank, have issued 83,82,342 Kisan Credit Cards during the year 2001-2002 upto 28th February, 2002. An amount of Rs. 25232.80 crores have been sanctioned through these cards.

Relaxation for insurgency affected region

5033. DR. ARUN KUMAR SARMA: Will the Minister of FINANCE be pleased to state:

(a) the details of special incentives, relaxation and exemption extended

to underdeveloped/ insurgency affected as well as land lock areas including those extended to officers posted therein;

(b) the objectives and outcome thereof;

(c) whether Government propose to consider declaring Jammu and Kashmir region as tax free area; and

(d) if so, the details thereof and anticipated result there upon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) For the purpose of encouraging investment in backward areas, comprising of under-developed/insurgency affected/land-locked areas a package comprising of several tax and non-tax benefits is being offered by the Government. Income Tax Act provide for tax holiday under Section 80-IB, eighteen categories of industrial undertakings set-up upto 31.3.2004 in the whole of North-East are entitled to deduction upto 100% of the profits for a period of 10 years. Hence this deduction could be availed till 31.3.2014. Industrial undertakings set up in backward States are entitled to 100% tax holiday for a period of five years and are entitled to a further deduction 25% (30% in the case of companies) for a further period of five years. Under section 10C Industrial units in Assam (and the whole of North-East) located in an integrated Infrastructure Development Centre set-up after 1.4.1998 are eligible for 100% tax exemption of entire profits under section 10C for a period of 10 years.

The Finance Bill 2002 has proposed to extend the benefit to undertakings set up on or before 31.3.2004 from the present 31.3.2002.

Exemption from Central excise duty is also available to units in North East, under notification number 32/99-CE and 33/99-CE which is available from the date of commencement of production for a period of 10 years.

In addition to direct and indirect tax benefits, other schemes for promoting investment in backward areas are in operation, which include transport subsidy scheme, Central Capital Investment Subsidy Scheme, Central Interest Subsidy Scheme, Central Comprehensive Insurance Scheme and Growth Centre Schemes.

(b) A study carried out for the Ministry of Commerce and Industry by the National Productivity Council has found that tax and non-tax benefits to be generally helpful to industries located in backward and hilly areas and has suggested continuance of such benefits.

(c) and (d) The Government have approved on 24th April 2002, a New Industrial Policy and other concessions which include, *inter-alia*, extension of Excise duty exemption and setting up of Jammu and Kashmir Development Finance Corporation, etc., for implementation in the State of Jammu and Kashmir.

Reduction in deposit rates of banks

5034. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether with a substantial increase in bank deposit on the one hand and a decline in credit offtake on the other, banks are left with no option but to reduce the deposit rates;

(b) if so, whether the RBI is also going to reduce the interest rate on its relief bonds;

(c) if so, whether any guidelines in this regard have been issued to the banks by the Government; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Reserve Bank of India (RBI) has reported that in view of the comfortable liquidity conditions, both deposit and lending rates of commercial banks had softened in the recent period.

(b) to (d) Government of India *vide* Gazette notification issued on 28.2.2002 have reduced rates of interest on Relief Bonds from 8.5% to 8% per annum with effect from 1st March 2002. The post maturity interest on Relief Bonds of earlier series has also been reduced to 8%.

Small savings scheme for pensioners

5035. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to announce a special small savings scheme for the benefit of pensioners;

(b) if so, the details thereof and if not, the reasons therefor; and

(c) the steps proposed to be taken to offer relief to the pensioners to compensate for the exemptions withdrawn in the 2002-2003 budget?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) There is no proposal under